

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF PUERTO RICO

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In re: )  
The Financial Oversight and Management )  
Board for Puerto Rico, )  
as representative of )  
The Commonwealth of Puerto Rico, *et al.* )  
Debtors.<sup>1</sup> )  
PROMESA  
Title III  
No. 17 BK 3283-LTS  
(Jointly Administered)

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**FIRST SUPPLEMENTAL VERIFIED STATEMENT OF THE PUERTO RICO FUNDS  
PURSUANT TO BANKRUPTCY RULE 2019**

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), made applicable to these Title III cases by Section 310 of the Puerto Rico Oversight, Management, and Economic Stability Act (“**PROMESA**”), 48 U.S.C. § 2170, this verified statement (this “**Statement**”) is submitted by White & Case LLP (“**W&C**”) and Sánchez Pirillo LLC (“**Sánchez Pirillo**” and, together with W&C, “**Counsel**”) on their own behalf and on behalf of certain Puerto Rico-based mutual funds (the “**Puerto Rico Funds**”)<sup>2</sup> holding bonds

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<sup>1</sup> The Debtors in these Title III Cases (collectively, the “**Title III Debtors**”), along with each Title III Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Title III Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “**Commonwealth**”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“**COFINA**”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“**HTA**”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“**ERS**”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686) and (v) the Puerto Rico Electric Power Authority (“**PREPA**”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747).

<sup>2</sup> The Puerto Rico Funds are the following Puerto Rico-based funds: Puerto Rico AAA Portfolio Bond Fund II, Inc.; Puerto Rico AAA Portfolio Bond Fund, Inc.; Puerto Rico AAA Portfolio Target Maturity Fund, Inc.; Puerto Rico Fixed Income Fund, Inc.; Puerto Rico Fixed Income Fund II, Inc.; Puerto Rico Fixed Income Fund III, Inc.; Puerto Rico Fixed Income Fund IV, Inc.; Puerto Rico Fixed Income Fund V, Inc.; Puerto Rico Fixed Income Fund VI, Inc.; Puerto Rico GNMA & U.S. Government Target Maturity Fund, Inc.; Puerto Rico Investors Bond Fund I; Puerto Rico Investors Tax-Free Fund, Inc.; Puerto Rico Investors Tax-Free Fund, Inc. II; Puerto Rico Investors Tax-Free Fund III, Inc.; Puerto Rico Investors Tax-Free Fund IV, Inc.; Puerto Rico Investors Tax-Free Fund V, Inc.; Puerto

issued by COFINA, ERS, PREPA, HTA, the Commonwealth and other instrumentalities of the Commonwealth (collectively, the “**Bonds**”). In support of this Statement, the Puerto Rico Funds and Counsel respectfully state as follows:

1. W&C is an international law firm that maintains its principal office at 1221 Avenue of the Americas, New York, New York 10020, and numerous additional offices throughout the United States and worldwide. Sánchez Pirillo is a local law firm that maintains its principal office at 270 Muñoz Rivera Avenue, Suite 1110, San Juan, Puerto Rico 00918.

2. In or around September 2015, the Puerto Rico Funds engaged W&C to represent their interests as beneficial holders of the Bonds. The Puerto Rico Funds engaged Sánchez Pirillo as co-counsel in or around December 2015.

3. The Puerto Rico Funds hold disclosable economic interests (as that term is defined in Bankruptcy Rule 2019 (a)(i)) in relation to the Title III Debtors, holding, as of July 31, 2018, approximately \$1.33 billion in aggregate principal amount of the Bonds issued by such Title III Debtors. In accordance with Bankruptcy Rule 2019 and based upon information provided to Counsel by the Puerto Rico Funds, attached hereto as Exhibit A is a list of the names and addresses of the Puerto Rico Funds, and the nature and amount of each disclosable economic interest of the Bonds issued by the respective Title III Debtors held by the Puerto Rico Funds. Pursuant to Bankruptcy Rule 2019(c)(2)(B), Counsel did not hold any disclosable economic interests in relation to the Title III Debtors as of the dates of their employment by the Puerto Rico Funds.

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Rico Investors Tax-Free Fund VI, Inc.; Puerto Rico Mortgage-Backed & U.S. Government Securities Fund, Inc.; Tax-Free Puerto Rico Fund, Inc.; Tax-Free Puerto Rico Fund II, Inc.; Tax-Free Puerto Rico Target Maturity Fund, Inc.; and UBS IRA Select Growth & Income Puerto Rico Fund. The Puerto Rico Funds are affiliated funds and, as such, we believe are not subject to Bankruptcy Rule 2019. See Fed. R. Bankr. P. 2019(b)(1)(B). Nevertheless, this Statement is being filed solely out of an abundance of caution, and all rights of the Puerto Rico Funds with respect thereto are hereby reserved.

4. Nothing contained in this Statement (or Exhibit A hereto) is intended to or should be construed to constitute (a) a waiver or release of any claims filed or to be filed against or interests in the Title III Debtors held by any of the Puerto Rico Funds, its affiliates or any other entity, or (b) an admission with respect to any fact or legal theory. Nothing herein should be construed as a limitation upon, or waiver of, any rights of any of the Puerto Rico Funds to assert, file and/or amend any proof of claim in accordance with applicable law and any orders entered in these cases.

5. Counsel reserves the right to amend or supplement this Statement for any reason in accordance with Bankruptcy Rule 2019.

6. The undersigned verify that the foregoing is true and correct to the best of their knowledge.

*[Remainder of Page Intentionally Left Blank]*

**RESPECTFULLY SUBMITTED,**

We hereby CERTIFY that on August 14, 2018, we caused the foregoing to be electronically filed in this case with the Clerk of Court, using the CM/ECF system, which will send notifications of such filing to all counsel of record.

By:

*/s/ Alicia I. Lavergne Ramírez*

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*/s/ John K. Cunningham*

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**Exhibit A**

<u>Name of Creditor<sup>3</sup></u>	<u>Address</u>	<u>Debtor</u>	<u>Nature and Amount of Disclosable Economic Interest as of July 31, 2018<sup>4</sup></u>
<b>Tax-Free Puerto Rico Fund, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$13,350,000.00
		COFINA	Sr. Current Interest Bonds (“CIBs”): \$25,455,000.00 Jr. CIBs: \$11,652,280.00 Jr. Capital Appreciation Bonds (“CABs”): \$10,304,470.00
		PREPA	\$365,000.00
<b>Tax-Free Puerto Rico Fund II, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$31,950,000.00
		COFINA	Sr. CIBs: \$10,430,000.00 Jr. CIBs: \$24,260,000.00
		PREPA	\$70,000.00
	American International Plaza Building	ERS	CIBs: \$52,100,000.00

<sup>3</sup> Each entity listed holds disclosable economic interests.

<sup>4</sup> These figures reflect, to the best of counsel’s knowledge, outstanding principal amounts as of the date listed above. These figures do not include interest, fees or any other amount that is or may be due and owing under the debt documents and applicable law. All holdings listed herein are uninsured unless specifically indicated otherwise.

<b>Tax-Free Puerto Rico Target Maturity Fund, Inc.</b>	250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	COFINA	Sr. CIBs: \$26,950,000.00  Jr. CIBs: \$2,500,000.00
<b>Puerto Rico AAA Portfolio Bond Fund, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$13,325,000.00
		COFINA	Sr. CABs: \$16,164,827.00  Jr. CIBs: \$42,170,000.00
<b>Puerto Rico AAA Portfolio Bond Fund II, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$5,000,000.00
		COFINA	Jr. CIBs: \$625,000.00
<b>Puerto Rico AAA Portfolio Target Maturity Fund, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$5,500,000.00  CABs: \$8,252,757.00
		COFINA	Sr. CABs: \$6,493,370.00
		Commonwealth of Puerto Rico	Insured: \$6,860,000.00
<b>Puerto Rico Fixed Income Fund, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$50,285,000.00  CABs: \$42,488,166.00
		COFINA	Sr. CIBs: \$18,530,000.00

			Jr. CABs \$2,597,645.00
<b>Puerto Rico Fixed Income Fund II, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$73,040,000.00 CABs: \$26,198,032.00
		COFINA	Sr. CIBs: \$20,200,000.00 Jr. CIBs: \$1,833,000.00 Jr. CABs: \$16,375,210.00
<b>Puerto Rico Fixed Income Fund III, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$55,645,000.00 CABs: \$28,762,399.00
		COFINA	Sr. CIBs: \$13,150,000.00 Jr. CIBs: \$21,200,600.00 Jr. CABs: \$9,342,911.00
		PREPA	\$3,390,000.00
<b>Puerto Rico Fixed Income Fund IV, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$77,150,000.00 CABs: \$16,589,574.00
		COFINA	Sr. CIBs: \$51,200,000.00 Jr. CIBs: \$5,533,570.00

		PREPA	\$3,360,000.00
<b>Puerto Rico Fixed Income Fund V, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$92,680,000.00 CABs: \$18,625,413.00
		COFINA	Sr. CIBs: \$10,220,000.00 Jr. CIBs: \$302,500.00 Jr. CABs: \$11,151,216.00
		PREPA	\$950,000.00
<b>Puerto Rico Fixed Income Fund VI, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	COFINA	Jr. CIBs: \$2,708,050.00
		PREPA	\$40,000.00
<b>Puerto Rico GNMA &amp; US Government Target Maturity Fund, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$7,500,000.00 CABs: \$2,808,442.00
		COFINA	Jr. CIBs: \$11,570,000.00
<b>Puerto Rico Mortgage-Backed &amp; US Government Securities Fund, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$17,050,000.00
		COFINA	Jr. CIBs: \$3,800,000.00 Jr. CABs: \$2,284,156.00

<b>UBS IRA Select Growth &amp; Income Puerto Rico Fund</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	COFINA	Sr. CABs: \$1,965,282.00  Jr. CABs: \$4,739,934.00
		HTA	Insured: \$1,015,000.00
<b>Puerto Rico Investors Tax-Free Fund, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$6,090,000.00
		COFINA	Sr. CIBs: \$15,820,000.00  Sr. CABs: \$4,300,633.00  Jr. CIBs: \$345,000.00
<b>Puerto Rico Investors Tax-Free Fund Inc. II</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$8,500,000.00  CABs: \$943,035.00
		COFINA	Sr. CIBs: \$15,450,000.00  Sr. CABs: \$3,719,451.00
<b>Puerto Rico Investors Tax-Free Fund III, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$11,105,000.00
		COFINA	Sr. CIBs: \$24,950,000.00
<b>Puerto Rico Investors Tax-Free Fund IV, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$8,195,000.00
		COFINA	Sr. CIBs: \$18,145,000.00

			Sr. CABs: \$5,709,825.00
<b>Puerto Rico Investors Tax-Free Fund V, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$18,345,000.00
		COFINA	Sr. CIBs: \$19,280,000.00 Jr. CIBs: \$11,585,000.00
<b>Puerto Rico Investors Tax-Free Fund VI, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$23,260,000.00
		COFINA	Sr. CIBs: \$55,520,000.00 Sr. CABs: \$5,463,075.00 Jr. CIBs: \$600,000.00
		HTA	\$1,095,000.00
<b>Puerto Rico Investors Bond Fund I, Inc.</b>	American International Plaza Building 250 Muñoz Rivera Avenue San Juan, Puerto Rico 00918	ERS	CIBs: \$2,225,000.00 CABs: \$3,005,698.00
		COFINA	Sr. CABs: \$24,918,018.00 Jr. CIBs: \$3,320,000.00
		HTA	\$605,000.00